



Amendment Offered by Mr. Sanders

**To the Amendment in the Nature of a  
Substitute Offered by Mr. Bachus**

Page 27, line 20, strike section 502 and insert the  
following new section:

1 **SEC. 502. DISCLOSURE OF CREDIT SCORES.**

2 (a) STATEMENT ON AVAILABILITY OF CREDIT  
3 SCORE.—Section 609(a) of the Fair Credit Reporting Act  
4 (15 U.S.C. 1681g(a)) is amended by adding at the end  
5 the following new paragraph:

6 “(6) If the consumer requests the credit file  
7 and not the credit score, a statement that the con-  
8 sumer may request and obtain a credit score.”.

9 (b) DISCLOSURE OF CREDIT SCORE.—Section 609 of  
10 the Fair Credit Reporting Act (15 U.S.C. 1681g) is  
11 amended by inserting after subsection (d) (as added by  
12 section 204 of this Act) the following new subsections:

13 “(e) DISCLOSURE OF CREDIT SCORES.—

14 “(1) IN GENERAL.—Upon the consumer’s re-  
15 quest for a credit score, a consumer credit reporting  
16 agency shall supply to a consumer a statement indi-  
17 cating that the information and credit scoring model



1 may be different than the credit score that may be  
2 used by the lender, and a notice which shall include  
3 the following information:

4 “(A) The consumer’s current credit score  
5 or the consumer’s most recent credit score that  
6 was previously calculated by the credit report-  
7 ing agency for a purpose related to the exten-  
8 sion of credit.

9 “(B) The range of possible credit scores  
10 under the model used.

11 “(C) All the key factors that adversely af-  
12 fected the consumer’s credit score in the model  
13 used, the total number of which shall not ex-  
14 ceed four.

15 “(D) The date the credit score was cre-  
16 ated.

17 “(E) The name of the person or entity  
18 that provided the credit score or credit file upon  
19 which the credit score was created.

20 “(2) DEFINITIONS.—For purposes of this sec-  
21 tion, the following definitions shall apply:

22 “(A) CREDIT SCORE.—The term ‘credit  
23 score’—

24 “(i) means a numerical value or a cat-  
25 egorization derived from a statistical tool



1 or modeling system used by a person who  
2 makes or arranges a loan to predict the  
3 likelihood of certain credit behaviors, in-  
4 cluding default (and the numerical value or  
5 the categorization derived from this anal-  
6 ysis may also be referred to as a ‘risk pre-  
7 dictor’ or ‘risk score’); and

8 “(ii) does not include—

9 “(I) any mortgage score or rating  
10 of an automated underwriting system  
11 that considers one or more factors in  
12 addition to credit information, includ-  
13 ing the loan to value ratio, the  
14 amount of down payment, or a con-  
15 sumer’s financial assets; or

16 “(II) any other elements of the  
17 underwriting process or underwriting  
18 decision.

19 “(B) KEY FACTORS.—The term ‘key fac-  
20 tors’ means all relevant elements or reasons ad-  
21 versely affecting the credit score for the par-  
22 ticular individual listed in the order of their im-  
23 portance based on their effect on the credit  
24 score.



1           “(3) TIMEFRAME AND MANNER OF DISCLO-  
2           SURE.—The information required by this subsection  
3           shall be provided in the same timeframe and manner  
4           as the information described in subsection (a).

5           “(4) APPLICABILITY TO CERTAIN USES.—This  
6           subsection shall not be construed so as to compel a  
7           consumer reporting agency to develop or disclose a  
8           score if the agency does not—

9           “(A) distribute scores that are used in con-  
10          nection with residential real property loans; or

11          “(B) develop scores that assist credit pro-  
12          viders in understanding a consumer’s general  
13          credit behavior and predicting the future credit  
14          behavior of the consumer.

15          “(5) APPLICABILITY TO CREDIT SCORES DE-  
16          VELOPED BY ANOTHER PERSON.—

17          “(A) IN GENERAL.—This subsection shall  
18          not be construed to require a consumer credit  
19          reporting agency that distributes credit scores  
20          developed by another person or entity to provide  
21          a further explanation of them, or to process a  
22          dispute arising pursuant to section 611, except  
23          that the consumer credit reporting agency shall  
24          provide the consumer with the name and ad-  
25          dress and website for contacting the person or



1           entity who developed the score or developed the  
2           methodology of the score.

3           (B) EXCEPTION.—This paragraph shall  
4           not apply to a consumer credit reporting agency  
5           that develops or modifies scores that are devel-  
6           oped by another person or entity.

7           “(6) MAINTENANCE OF CREDIT SCORES NOT  
8           REQUIRED.—This subsection shall not be construed  
9           to require a consumer reporting agency to maintain  
10          credit scores in its files.

11          “(7) COMPLIANCE IN CERTAIN CASES.—In com-  
12          plying with this subsection, a consumer credit re-  
13          porting agency shall—

14               “(A) supply the consumer with a credit  
15               score that is derived from a credit scoring  
16               model that is widely distributed to users by that  
17               consumer credit reporting agency in connection  
18               with residential real property loans or with a  
19               credit score that assists the consumer in under-  
20               standing the credit scoring assessment of the  
21               credit behavior of the consumer and predictions  
22               about the future credit behavior of the con-  
23               sumer; and



1           “(B) a statement indicating that the infor-  
2           mation and credit scoring model may be dif-  
3           ferent than that used by the lender.

4           “(8) REASONABLE FEE.—A consumer credit re-  
5           porting agency may charge a reasonable fee for pro-  
6           viding the information required under this sub-  
7           section.”.

8           (c) DISCLOSURE OF CREDIT SCORES BY CERTAIN  
9           MORTGAGE LENDERS.—Section 609 of the Fair Credit  
10          Reporting Act (15 U.S.C. 1681g) is amended by adding  
11          the following new subsection:

12          “(f) DISCLOSURE OF CREDIT SCORES BY CERTAIN  
13          MORTGAGE LENDERS.—

14               “(1) IN GENERAL.—Any person who makes or  
15               arranges loans and who uses a consumer credit score  
16               as defined in subsection (e) in connection with an  
17               application initiated or sought by a consumer for a  
18               closed end loan or establishment of an open end loan  
19               for a consumer purpose that is secured by 1 to 4  
20               units of residential real property shall provide the  
21               following to the consumer as soon as reasonably  
22               practicable:

23               “(A) A copy of the information identified  
24               in subsection (e) that was obtained from a cred-  
25               it reporting agency or was developed and used



1 by the user of the information. In addition to  
2 the information provided to it by a third party  
3 that provided the credit score or scores, a lend-  
4 er is only required to provide the notice con-  
5 tained in subparagraph (D).

6 “(B) If a person who is subject to this sec-  
7 tion uses an automated underwriting system to  
8 underwrite a loan, that person may satisfy the  
9 obligation to provide a credit score by disclosing  
10 a credit score and associated key factors sup-  
11 plied by a consumer credit reporting agency.  
12 However, if a numerical credit score is gen-  
13 erated by an automated underwriting system  
14 used by an enterprise, and that score is dis-  
15 closed to the person, it shall be disclosed to the  
16 consumer consistent with subparagraph (C).  
17 For purposes of this subparagraph, the term  
18 ‘enterprise’ shall have the meaning provided in  
19 paragraph (6) of section 4502 of title 12 of the  
20 United States Code.

21 “(C) A person subject to the provisions of  
22 this subsection who uses a credit score other  
23 than a credit score provided by a consumer re-  
24 porting agency may satisfy the obligation to  
25 provide a credit score by disclosing a credit



1 score and associated key factors supplied by a  
2 consumer credit reporting agency.

3 “(D) A copy of the following notice, which  
4 shall include the name, address, and telephone  
5 number of each credit bureau providing a credit  
6 score that was used:

7 ‘NOTICE TO THE HOME LOAN APPLICANT

8 ‘In connection with your application for a home loan,  
9 the lender must disclose to you the score that a credit bu-  
10 reau distributed to users and the lender used in connection  
11 with your home loan, and the key factors affecting your  
12 credit scores.

13 ‘The credit score is a computer generated summary  
14 calculated at the time of the request and based on infor-  
15 mation a credit bureau or lender has on file. The scores  
16 are based on data about your credit history and payment  
17 patterns. Credit scores are important because they are  
18 used to assist the lender in determining whether you will  
19 obtain a loan. They may also be used to determine what  
20 interest rate you may be offered on the mortgage. Credit  
21 scores can change over time, depending on your conduct,  
22 how your credit history and payment patterns change, and  
23 how credit scoring technologies change.

24 ‘Because the score is based on information in your  
25 credit history, it is very important that you review the





1 credit-related information that is being furnished to make  
2 sure it is accurate. Credit records may vary from one com-  
3 pany to another.

4 'If you have questions about your credit score or the  
5 credit information that is furnished to you, contact the  
6 credit bureau at the address and telephone number pro-  
7 vided with this notice, or contact the lender, if the lender  
8 developed or generated the credit score. The credit bureau  
9 plays no part in the decision to take any action on the  
10 loan application and is unable to provide you with specific  
11 reasons for the decision on a loan application.

12 'If you have questions concerning the terms of  
13 the loan, contact the lender.'

14 "(E) This section shall not require any  
15 person to do the following:

16 "(i) Explain the information provided  
17 pursuant to subsection (e).

18 "(ii) Disclose any information other  
19 than a credit score or key factor, as de-  
20 fined in subsection (e).

21 "(iii) Disclose any credit score or re-  
22 lated information obtained by the user  
23 after a loan has closed.

24 "(iv) Provide more than one disclo-  
25 sure per loan transaction;(v) Provide the



1 disclosure required by this section when  
2 another person has made the disclosure to  
3 the consumer for that loan transaction.

4 “(F) Any person’s obligation pursuant to  
5 this section shall be limited solely to providing  
6 a copy of the information that was received  
7 from the consumer credit reporting agency. No  
8 person has liability under this section for the  
9 content of that information or for the omission  
10 of any information within the report provided  
11 by the consumer credit reporting agency.

12 “(G) As used in this subsection, the term  
13 ‘person’ does not include an ‘enterprise’ as de-  
14 fined in paragraph (6) of section 4502 of title  
15 12 of the United States Code.

16 “(2) Any provision in a contract that prohibits  
17 the disclosure of a credit score by a person who  
18 makes or arranges loans or a consumer credit re-  
19 porting agency is void. A lender shall not have liabil-  
20 ity under any contractual provision for disclosure of  
21 a credit score.”.

